

MEHORANDUM FOR: Legislative Counsel

SUBJECT: Proposed Overseas Allowances Act of 1955

- 1. In accordance with your request, the attached draft of the Overseas Allowances Act of 1955 has been reviewed by representatives of this Office. The following comments are furnished for consideration in determining whether the Agency should support this proposal in its current form.
- 2. The objectives of the Bill are the codification into one Act of the allowances and differentials payable to United States citizen employees serving outside the continental limits of the United States and Alaska and the provision of uniform treatment for all Government employees overseas to the extent justified by relative conditions of employment. While the Bill does extend allowance benefits and should, therefore, be supported for official cover staff personnel, it will not, in many instances, provide adequate allowances for unofficial personnel who do not have access to United States cover facilities and privileges available abroad.
- 3. Coverage of the proposal is limited to employees who are citizens or nationals of the United States. Employees are defined as civilians who receive a salary or wage for a government agency. The Agency now employes in clandestine activities individuals who are not now and may never become United States citizens. These individuals perform services for the Agency under contract and most may be classified as "independent contractors", although some are of the employee type.
- 4. With respect to official cover personnel, the Agency has taken the position that it will generally conform with the laws, regulations and practices applicable to other United States cover employees. As appropriate, we have granted the standardized Government allowances and differentials to such personnel. However, in those instances when these allowances are considered inadequate, the problem has been handled in accordance with the provisions of GR 20-1060 governing equalization and cover allowances. It is also noted that AFR 45-1050 provides for relief of the housing problem for Agency personnel overseas.
- 5. The peculiar nature of our operations has been recognized in the extraordinary authority granted the Director of Central Intelligence in section 10(a) and (b) of P.L. 110. If the proposed general legislation does not override or delimit the specific authorities of P.L. 110, we do not anticipate problems with respect to personnel in clandestine activities in the allowances

area. However, if this latter legislation does delimit the Director's existing authority, there would be need for some type of exclusion of our covert personnel. This might be obtained by inserting in section II (8), between the words "who" and "receive", either "openly" or "overtly" and by providing that contract personnel are excluded from coverage of the Act and shall be governed by the provision of their contract as regards allowances. It is recommended that the Office of General Counsel make the determination with respect to the effect of this proposal on the Director's special authorities.

6. It is further recommended that, if the Office of General Counsel takes the position that subsequent general legislation which does not specifically exclude this Agency, delimits special authorities in the Agency's enabling legislation, consideration be given to obtaining an appropriate amendment to section 10, P.L. 110, to provide for this and comparable situations.

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Deputy Assistant Director for Personnel

Attachment

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